

Message Text

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ACTION EB-08

INFO OCT-01 AF-10 ISO-00 AID-05 CIAE-00 COME-00 FRB-03

INR-10 NSAE-00 ICA-11 TRSE-00 XMB-02 OPIC-03

SP-02 LAB-04 SIL-01 OMB-01 PA-01 NSC-05 IO-13

SS-15 SSO-00 INRE-00 /095 W

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FM AMEMBASSY LIBREVILLE

TO SECSTATE WASHDC 0830

C O N F I D E N T I A L LIBREVILLE 0822

DEPT PLEASE PASS EXIMBANK

E.O. 11652: GDS

TAGS: EFIN, EAIR, IMF, GB

SUBJ: GABON'S CREDITWORTHINESS: EXIMBANK GUARANTEE FOR AIR GABON

REF: A. LIBREVILLE 646; B. LIBREVILLE 211; C. LIBREVILLE 771

1. SUMMARY: CITIBANK LIBREVILLE DIRECTOR GENERAL CALLED ON AMBASSADOR IN LATE AFTERNOON OF APRIL 4 TO RELAY REPORT, PERHAPS ONLY UNFOUNDED RUMOR, THAT IMF DELEGATION MAY HAVE ADVISED GOVERNMENT OF GABON (GOG) AGAINST PURCHASE OF BOEING AIRCRAFT. END SUMMARY.

2. CITIBANK LIBREVILLE DIRECTOR GENERAL GAUTAM CHAKRAVARTTY CALLED ON AMBASSADOR IN LATE AFTERNOON APRIL 4 TO RELAY REPORT THAT IMF DELEGATION WHICH CONCLUDING WORKING SESSIONS IN LIBREVILLE LAST WEEK (LIBREVILLE 771) MAY HAVE ADVISED GOG AGAINST PURCHASE OF BOEING AIRCRAFT AND MAY HAVE MADE IMF ACCEPTANCE OF STABILIZATION PROGRAM (REF A) CONTINGENT UPON GOG CANCELLATION OF PURCHASE CONTRACT. IT IS NOT CLEAR WHETHER IMF REFERRED ONLY TO BOEING 737 OR BOEING 747 OR TO BOTH AIRCRAFT. EMBASSY STRESSES THAT THIS MAY BE ONLY UNFOUNDED RUMOR. BOTH EMBASSY AND CITIBANK ARE MAKING FURTHER INQUIRIES AND WILL KEEP DEPARTMENT AND EXIM BANK INFORMED.

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3. CITIBANK IS NOW PUTTING TOGETHER SYNDICATED LOAN OF US DOLS 106 MILLION WHICH INCLUDES US DOLS 46 MILLION FOR AIR GABON'S BOEING 737 AND 747. THIS LOAN IS PART OF PACKAGE OF US DOLS 178 MILLION CITED PARA 9 REFTEL A. CITIBANK DIRECTOR ALSO INDICATED THAT CITIBANK MAY PROVIDE TEMPORARY LOAN OF US DOLS 13 MILLION TO COVER PURCHASE OF BOEING 737, WHICH WILL BE

READY FOR DELIVERY ON APRIL 12, UNTIL FINAL ARRANGEMENTS FOR COMMERCIAL BANK PORTION OF AIR GABON LOAN ARE WORKED OUT.

4. EMBASSY WISHES TO POINT OUT THAT EXIMBANK CREDIT AGREEMENT FOR AIR GABON HAS NOT REPEAT NOT BEEN SIGNED. FRENCH TRANS- LATION OF AGREEMENT WAS RECEIVED MARCH 31, YET NO DECISION HAS BEEN MADE ON WHETHER MORTGAGE WILL BE REQUIRED. EMBASSY REMAINS IN CLOSE CONTACT WITH CITIBANK TO COORDINATE APPRACH TO MINISTRY OF FINANCE.

5. AFTER DRAFTING ABOVE, AMBASSADOR CHECKED INFO THIS MORNING, APRIL 5, WITH FRENCH AMBASSADOR WHO TOLD HIM "IT HAD BEEN DECIDED" THAT AIR GABON PURCHASE OF 737 WOULD GO FORWARD BUT THAT 747 WOULD IN FUTURE BE LEASED (AS IS CASE NOW). PRESENT 747 LEASE IS UP SHORTLY AND AIR GABON WILL USE PRESIDENTIAL DC-8 FOR LONG DISTANCE FLIGHTS (EUROPE) UNTIL NEW LEASING ARRANGEMENT IS WORKED OUT. FRENCH, HOWEVER, WERE GENERALLY AS MUCH IN DARK OVER OTHERASPECTS OF IMF MISSION AS WE.

6. COMMENT: THERE IS CONSIDERABLE LACK OF INFO HERE ABOUT WHAT WAS OR WAS NOT DECIDED DURING IMF VISIT INCLUDING QUESTION OF AIRCRAFT. GABONESE ARE THUS FOR SAYING NOTHINGAND SO FAR AS WE KNOW, IF MISSION HAD NO CONTRACTS EXCEPT WITH GABONESE. YET AMERICAN INTERESTS ARE DIRECTLY CONCERNED (EXIMBANK, CITIBANK AND BOEING). ACCORDINGLY, IT WOULD BE HELPFUL TO KNOW ASAP OUTCOME OF IMF MISSION. CITIBANK, FOR EXAMPLE, IS DUE TO MEET
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WITH POSSIBLE SUBSCRIBERS TO THEIR PROPOSED LOAN THIS WEEKEND AND NEEDS TO KNOW STATUS OF AIRCRAFT IF THEY ARE TO DETERMINE SIZE OF LOAN (WHETHER DOLS 106 MILLION OR SOMETHING LESS). WE THEREFORE:

A. REQUEST DEPARTMENT GET IN TOUCH WITH IMF IN EFFORT DETERMINE DETAILS OF WHAT HAPPENED HERE WITH SPECIFIC REFERENCE TO (BUT NOT LIMITED TO) QUESTION OF AIRCRAFT.

B. SUGGEST THAT DEPT A/O EXIMBANK GET IN TOUCH WITH CITI- BANK TO SHARE WHATEVER INFORMATION CAN BE SHARED.

7. SINCE WE DO NOT KNOW MODALITIES OF IMF/GABON AGREEMENT (IF ANY), OR WHAT WAS SAID TO AND AGREED TO GABONESE BY IMF REPS RE AIRCRAFT, WE WOULD LIKE TO BE IN POSITION OF BEING ABLE COUNTER ANY POSSIBLE GABONESE COMMENT THAT USG OR PRIVATE US INTERESTS MAY BE RENEGING ON AIRCRAFT DEAL (SHOULD 747 DEAL BE IN JEOPARDY) IF THIS IN FACT PART OF IMF/GABON ARRANGEMENT AND AGREED TO BY GABONESE.TIENKEN

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